GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:3151
ANSWERED ON:10.08.2001
DISINVESTMENT OF PUBLIC SECTOR UNDERTAKINGS
P.D. ELANGOVAN;PRIYA RANJAN DASMUNSI

Will the Minister of DISINVESTMENT be pleased to state:

(a) the details of the companies, public sector undertakings that are under negotiations for disinvestment process during 2001-2002; and

(b) the market value of those properties as on date?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) The process of disinvestment is currently in progress in the following (PSUs):

Air India, CMC Ltd, Hindustan Copper Ltd. (Phase-I), Hindustan Organic Chemicals Ltd., Hindustan Zinc Ltd., Indian Airlines, IBP Ltd., Indian Petrochemicals Corpn Ltd., properties of India Tourism Development Corpn. Ltd., Madras Fertilizers Ltd., Minerals and Metals Trading Corporation Ltd., National Fertilizers Ltd., Paradeep Phosphates Ltd., Sponge Iron India Ltd., State Trading Corpn. Ltd. Hindustan Cables Ltd., Instrumentation Ltd., Jessop and Co. Ltd., NEPA Ltd., Tungabhadra Steel Products Ltd., Videsh Sancha Nigam Ltd., Bharat Brakes and Valves Ltd., HTL Ltd, NIDC, Bharat Heavy Plates & Vessels, Hindustan Salts and Engineerin Projects (India) Ltd.

A typical strategic sale/disinvestment includes, interalia, selection of Advisors, inviting Expression of interests from prospective bidders, due diligence of the PSUs , finalization oftransaction documents namely, Share Holders Agreement /Share Purchase Agreement,inviting financial/ technical bids, evaluation of PSUs etc., before the transaction is concluded. The disinvestment procedure involves open competitive bidding to ensure transparency and does not involve any negotiations. The disinvestment of PSUs is in different stages of implementation.

(b) The valuation of the PSUs is undertaken in accordance with the standard national & international practices. The market value of the properties of each undertaking will be assessed before strategic disinvestment in the PSU is completed.